



MEMORANDUM

To: The CalPERS Investment Committee

Date: February 14, 2011

From: Pension Consulting Alliance (PCA)

cc:

RE: Alternative Investment Management (AIM) Program Review

PCA has been asked to comment on the AIM Program Review which is to be presented at the February 14, 2011 Investment Committee meeting.

PCA has read the Review and discussed it with AIM staff. PCA is in general agreement with the Review's content with the following modification:

- The 2010 Accomplishments refer to the Co-Investment Strategy and staff's efforts to expand capacity and develop a more efficient process. "Bolster direct investment capabilities" is one of the items included in the 2011 Investment Strategy and Themes. In both of these areas, staff should review the adequacy of existing policies and procedures to make certain that they accommodate the successful management of expanded investing in these ways. If the review concludes that modifications are necessary, they should be formulated and submitted for approval to the appropriate committees/sub-committees of the Board of Trustees.